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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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August 25, 2006

Mr. Charlie Hahn, Special Projects Director
St. Louis Development Corporation
1015 Locust Street
St. Louis, MO 63101

RE: Fiscal Monitoring Report of SLDC/Economic Development
(Project #2007-CDA1) Reissued

Dear Mr. Hahn:

Enclosed is a report of our fiscal monitoring review of SLDC/Economic Development (Contracts 03-90-90, 04-90-90 & 05-90-90) for the period January 1, 2003 through December 31, 2005. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of SLDC/Economic Development. Our fieldwork was substantially completed on August 15, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant sub recipients. If you have any questions, please contact Charles Schroeder at 589-6089.

Sincerely,

Sedrick D. Blake, CPA
Internal Audit Executive

Enclosure

cc: Honorable Darlene Green, Comptroller
Jill Claybour, Acting Executive Director, Community Development Administration
Lorna Alexander, Fiscal Coordinator, Community Development Administration



CITY OF ST. LOUIS

***COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)***

***ST. LOUIS DEVELOPMENT CORPORATION/ECONOMIC DEVELOPMENT
CONTRACTS #03-90-90, #04-90-90 AND #05-90-90***

FISCAL MONITORING REVIEW

JANUARY 1, 2003 THROUGH DECEMBER 31, 2005

PROJECT #2007-CDA1

DATE ISSUED: AUGUST 25, 2006

***Prepared by:
The Internal Audit Section***



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SLDC/ECONOMIC DEVELOPMENT
CONTRACTS: #03-90-90, #04-90-90 & #05-90-90
FISCAL MONITORING REVIEW
JANUARY 1, 2003 THROUGH DECEMBER 31, 2005

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CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SLDC/ECONOMIC DEVELOPMENT
CONTRACTS: #03-90-90, #04-90-90 & #05-90-90
FISCAL MONITORING REVIEW
JANUARY 1, 2003 THROUGH DECEMBER 31, 2005

INTRODUCTION

Background

Contract Name: SLDC/Economic Development

Contract Numbers: 03-90-90
04-90-90
05-90-90

Contract Periods: January 1, 2003 through December 31, 2003
January 1, 2004 through December 31, 2004
January 1, 2005 through December 31, 2005

Contract Amount: \$1,275,000 (03-90-90)
\$1,150,000 (04-90-90)
\$995,000 (05-90-90)

Contracts 03-90-90, 04-90-90 & 05-90-90 (Documents 45401, 47672 & 50557) provided Community Development Block Grant (CDBG) funds to SLDC/Economic Development to encourage business development and enhance redevelopment projects to continue outreach efforts for the City, undertake special projects such as Downtown Now, Near Southside revitalization Area, Convention Hotel, transportation, Washington Avenue Improvements, North Broadway Corridor, Arena site, environmental reviews and abatement.

Purpose

The purpose of our review was to determine SLDC/Economic Development compliance with federal, state and local CDBG requirements for the periods January 1, 2003 through December 31, 2005 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding SLDC/Economic Development internal controls relating to the grant administered by the Community Development Administration (CDA), tested evidence supporting the reports the Agency submitted to CDA and performed other procedures considered necessary. Our fieldwork was substantially complete on August 15, 2006.

CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
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SLDC/ECONOMIC DEVELOPMENT
CONTRACTS: #03-90-90, #04-90-90 & #05-90-90
FISCAL MONITORING REVIEW
JANUARY 1, 2003 THROUGH DECEMBER 31, 2005

CONCLUSION AND SUMMARY OF CURRENT OBSERVATIONS

Conclusion

We found no evidence to suggest SLDC/Economic Development did not fully comply with federal, state and local CDBG requirements.

Status of Prior Observations

The Agency's previous Fiscal Monitoring Report dated June 30, 2004 contained no observations.

A-133 Status

The Agency's A-133 audit report for the fiscal year ended September 30, 2004 rendered an unqualified opinion on the financial statements. Although reportable conditions were noted, none involved CDA's contract with the Agency.

Summary of Current Observations

We made no observations.



CITY OF ST. LOUIS

***COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)***

***SLDC/ECONOMIC DEVELOPMENT
CONTRACTS #03-90-90, #04-90-90 AND #05-90-90***

FISCAL MONITORING REVIEW

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CONCLUSION AND SUMMARY OF CURRENT OBSERVATIONS

Conclusion

We found no evidence to suggest SLDC/Economic Development did not fully comply with federal, state and local CDBG requirements.

Status of Prior Observations

The Agency's previous Fiscal Monitoring Report dated June 30, 2004 contained no observations.

A-133 Status

The Agency's A-133 audit report for the fiscal year ended June 30, 2005 rendered an unqualified opinion on both the general-purpose financial statements as well as the report issued on compliance for major programs. There was one finding required to be reported in accordance with OMB Circular A-133. The finding was related to the organizations HUD CDBG and UDAG activities. Four projects selected for testing did not have proof of completed environmental reviews.

Summary of Current Observations

We made no observations.